

Congress of the United States
Washington, DC 20515

October 29, 2018

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The Honorable Ajit Pai, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Pai:

As Nebraska's congressional delegation, we encourage immediate action by the Federal Communications Commission (FCC) to restore sufficiency and predictability to the Universal Service Fund's (USF) High Cost program budget, as designed. A fully funded program ensures that rural Nebraskans have access to high quality broadband and voice services comparable to those available in urban areas.

The negative impacts of the insufficient and uncertain USF budget adversely affect providers from strategically investing in rural broadband, at a time when the federal government has made rural broadband a national priority. Therefore, we were pleased you testified at both Senate and House FCC Oversight hearings that you are committed to taking action by the end of the year.

The responses to the FCC's High Cost USF Order and Notice of Proposed Rulemaking confirm the need and widespread support for adequate long-term funding to smaller rural carriers, so that rural consumers can have access to high quality broadband. Consistent with prior letters from Congress expressing our concerns about USF budget shortfalls, we urge the Commission to establish a sufficient, predictable budget that will promote rural broadband availability and affordability, while recognizing the long-term nature of the deployed assets.

The High Cost USF program budget is essential for millions of rural Americans and foundational for the success of all four universal service initiatives in rural America. Yet, the High Cost program budget has remained frozen for many years. It is essential that the High Cost program evolves with technological developments and is set at a level proportionate with demand levels into the future.

In the State of Nebraska, the budget limit is estimated to cut support that carriers would otherwise have received for their deployment of broadband by more than \$4,207,000 over a twelve-month period. These reductions in support will require providers to postpone or cancel broadband investments, reducing the availability of rural broadband as they threaten to increase consumer broadband rates in rural areas. Rural carriers serve more than 55 percent of Nebraska's land mass, and it is crucial that these companies and their customers are not left behind.

Thank you for acknowledging the need to eliminate the digital divide by taking steps to ensure accessible broadband for rural American consumers and businesses by year's end. We look forward to working with you to achieve a robust solution on this critical issue for rural America.

Sincerely,

 _____ Deb Fischer United States Senator	 _____ Ben Sasse United States Senator	 _____ Don Bacon Member of Congress
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 _____ Jeff Fortenberry Member of Congress	 _____ Adrian Smith Member of Congress
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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Ben Sasse
United States Senate
136 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Sasse:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Nebraska. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

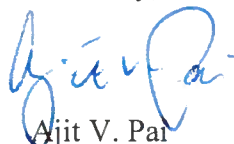
I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Nebraska. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

We started to address this problem in March, when the Commission dedicated an additional \$500 million to support small, rural carriers deploying broadband to the farthest reaches of America. And I expect that we will finish our work in December. I have now circulated to my colleagues a proposed order that would reform our high-cost program for small carriers to increase its efficiency, its sufficiency, and its predictability, all while ensuring rural Americans get the high-quality services they need and deserve.

First, we're promoting efficiency by offering rate-of-return carriers opportunity to opt in to model-based support, which would give them a guaranteed revenue stream for a decade in exchange for meeting specified buildout requirements. *Second*, we're ensuring support is sufficient by offering additional funding to carriers that currently receive model-based support and who agree to meet increased buildout requirements. We're also increasing funding for carriers who do not receive model-based support. *Third*, we're making the program more predictable by setting a new long-term budget for rate-of-return carriers who choose not to opt in to model-based support and ending arbitrary funding cuts. And *fourth*, we're increasing the target speeds for subsidized deployments from 10/1 Mbps to 25/3 Mbps. Long story short, we're making the Universal Service Fund a more effective means of closing the digital divide.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai

Hope all is well with you and your family! Can't believe our 25th reunion is around the corner....



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Deb Fischer
United States Senate
454 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Fischer:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Nebraska. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

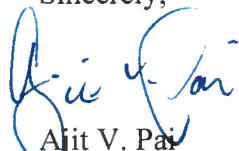
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Sincerely,



Ajit V. Pai

Senator, thanks for your support and for your leadership on rural broadband issues!



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Adrian Smith
U.S. House of Representatives
320 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Smith:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Nebraska. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

I agree with your concerns that budget limitations in the Universal Service Fund's high cost program for legacy rate-of-return providers could result in undue reductions in support for broadband deployment in Nebraska. Those cuts were the legacy of the last Administration's *2016 Rate-of-Return Reform Order* (from which I dissented in part as a Commissioner).

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Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai".

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Don Bacon
U.S. House of Representatives
1516 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Bacon:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Nebraska. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

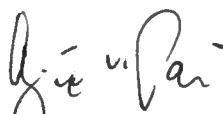
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WASHINGTON

OFFICE OF
THE CHAIRMAN

November 30, 2018

The Honorable Jeff Fortenberry
U.S. House of Representatives
1514 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Fortenberry:

Thank you for your letter on the importance of high-speed broadband access to rural Americans, including those in Nebraska. Closing the digital divide is one of my top priorities, and I appreciate your recognition of our work thus far to foster broadband deployment in the most remote corners of our country.

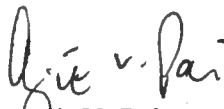
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